

GLIDDEN-RALSTON COMMUNITY SCHOOL DISTRICT

INDEPENDENT AUDITOR'S REPORTS
BASIC FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION
SCHEDULE OF FINDINGS AND RESPONSES

June 30, 2015

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GLIDDEN-RALSTON COMMUNITY SCHOOL DISTRICT

Officials

<u>Name</u>	<u>Title</u>	<u>Term Expires</u>
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Board of Education

Matt Conner	President	2017
Renee Schon	Vice President	2017
Robert Gregory	Board Member	2017
Linda Buss	Board Member	2015
Karla Brown	Board Member	2015

School Officials

Rob Olsen	Superintendent
Denise Best	District Secretary/Treasurer

Gary E. Horton CPA

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Independent Auditor's Report

To the Board of Education of
Glidden-Ralston Community School District:

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business type activities, each major fund and the aggregate remaining fund information of Glidden-Ralston Community School District, Glidden, Iowa, as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the District's basic financial statements listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with U.S. generally accepted accounting principles. This includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with U.S. generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the District's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above presents fairly, in all material respects, the respective financial position of the governmental activities, the business type activities, each major fund and the aggregate remaining fund information of Glidden-Ralston Community School District as of June 30, 2015, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with U.S. generally accepted accounting principles.

Emphasis of Matter

As discussed in Note 10 to the financial statements, Glidden-Ralston Community School District adopted new accounting guidance related to Governmental Accounting Standards Board (GASB) Statement No.68, Accounting and Financial Reporting for Pensions . an Amendment of GASB Statement No. 27. Our opinions are not modified with respect to this matter.

Other Matters

Required Supplementary Information

U.S. generally accepted accounting principles require Management's Discussion and Analysis, the Budgetary Comparison Information, the Schedule of the District's Proportionate Share of the Net Pension Liability, the Schedule of District Contributions and the Schedule of Funding Progress for the Retiree Health Plan on pages 4 through 10 and 34 through 36 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board which considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with U. S. generally accepted auditing standards, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Glidden-Ralston Community School District's basic financial statements. We previously audited, in accordance with the standards referred in the third paragraph of this report, the financial statements for the nine years ended June 30, 2014 (which are not presented herein) and expressed unmodified opinions on those financial statements. The supplementary information included in Schedules 1 through 6, is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with U.S. generally accepted auditing standards. In our opinion, the supplementary information is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated March 29, 2016 on our consideration of Glidden-Ralston Community School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide and opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering Glidden-Ralston Community School District's internal control over financial reporting and compliance.

BURTON E. TRACY & CO., P.C.
Certified Public Accountants

March 29, 2016

MANAGEMENT'S DISCUSSION AND ANALYSIS

Glidden. Ralston Community School District provides this Management's Discussion and Analysis of its financial statements. This narrative overview and analysis of the financial activities is for the fiscal year ended June 30, 2015. We encourage readers to consider this information in conjunction with the District's financial statements, which follow.

2015 FINANCIAL HIGHLIGHTS

- General Fund revenues decreased from \$3,512,863 in fiscal year 2014 to \$3,419,939 in fiscal year 2015, while General Fund expenditures increased from 3,721,797 in fiscal year 2014 to \$3,739,383 in fiscal year 2015. The District's General Fund balance decreased from \$2,801,504 at the end of fiscal year 2014 to \$2,482,060 at the end of fiscal year 2015, a 11% decrease,

USING THIS ANNUAL REPORT

The annual report consists of a series of financial statements and other information, as follows:

Management's Discussion and Analysis introduces the basic financial statements and provides an analytical overview of the District's financial activities.

The Government-wide Financial Statements consist of a Statement of Net Position and a Statement of Activities. These provide information about the activities of Glidden. Ralston Community School District as a whole and present an overall view of the District's finances.

The Fund Financial Statements tell how governmental services were financed in the short term as well as what remains for future spending. Fund financial statements report Glidden. Ralston Community School District's operations in more detail than the government-wide statements by providing information about the most significant funds.

Notes to financial statements provide additional information essential to a full understanding of the data provided in the basic financial statements.

Required Supplementary Information further explains and supports the financial statements with a comparison of the District's budget for the year, the District's proportionate share of the net pension liability and related contributions, as well as presenting the Schedule of Funding Progress for the Retiree Health Plan.

Other Supplementary Information provides detailed information about the nonmajor funds.

REPORTING THE DISTRICT'S FINANCIAL ACTIVITIES

Government-wide Financial Statements

The government-wide financial statements report information about the District as a whole using accounting methods similar to those used by private-sector companies. The Statement of Net Position includes all of the District's assets, deferred outflows of resources, liabilities and deferred inflows of resources, with the difference reported as net position. All of the current year's revenues and expenses are accounted for in the Statement of Activities, regardless of when cash is received or paid.

The two government-wide financial statements report the District's net position and how it has changed. Net positions one way to measure the District's financial health or financial position. Over time, increases or decreases in the District's net position is an indicator of whether financial position is improving or deteriorating. To assess the District's overall health, additional non-financial factors, such as changes in

the District's property tax base and the condition of school buildings and other facilities, need to be considered.

In the government-wide financial statements, the District's activities are divided into two categories:

- **Governmental activities:** Most of the District's basic services are included here, such as regular and special education, transportation and administration. Property tax and state aid finance most of these activities.
- **Business type activities:** The District charges fees to help cover the costs of certain services it provides. The District's school nutrition program is included here.

Fund Financial Statements

The fund financial statements provide more detailed information about the District's funds, focusing on its most significant or major funds, not the District as a whole. Funds are accounting devices the District uses to keep track of specific sources of funding and spending on particular programs.

Some funds are required by state law and by bond covenants. The District establishes other funds to control and manage money for particular purposes, such as accounting for student activity funds, or to show that it is properly using certain revenues, such as federal grants.

The District has two kinds of funds:

- 1) **Governmental funds:** Most of the District's basic services are included in governmental funds, which generally focus on (1) how cash and other financial assets that can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental fund statements provide a detailed short-term view that helps determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs.

The District's governmental funds include the General Fund, Special Revenue Funds, Debt Service Fund and Capital Projects Fund.

The required financial statements for governmental funds include a Balance Sheet and a Statement of Revenues, Expenditures and Changes in Fund Balances.

- 2) **Proprietary funds:** Services for which the District charges a fee are generally reported in proprietary funds. Proprietary funds are reported in the same way as the government-wide financial statements. The District's Enterprise Funds, one type of proprietary fund, are the same as its business type activities, but provide more detail and additional information, such as cash flows. The District currently has one Enterprise Fund, the School Nutrition Fund.

The required financial statements for proprietary funds include a Statement of net position, a Statement of Revenues, Expenses and Changes in Fund Net Position and a Statement of Cash Flows.

Reconciliations between the government-wide financial statements and the fund financial statements follow the fund financial statements.

Government-Wide Financial Analysis

Figure A-1 below provides a summary of the District's net position at June 30, 2015 compared to June 30, 2014.

Figure A-1

Figure 7.1

	Condensed Statement of Net Position						
	Governmental Activities		Business-type Activities		Total School District		Percentage Change
	2015	2014 (Not restated)	2015	2014 (Not restated)	2015	2014 (Not restated)	2014-2015
	\$	\$	\$	\$	\$	\$	
Current and other assets	5,454,637	5,841,565	2,653	3,112	5,457,290	5,844,677	-7%
Capital assets	3,697,603	3,738,854	33,561	34,052	3,731,164	3,772,906	-1%
Total assets	9,152,240	9,580,419	36,214	37,164	9,188,454	9,617,583	-4%
Deferred outflows of resources	326,342	-	8,127	-	334,469	-	100%
Long-term liabilities	3,414,976	2,202,000	33,123	-	3,448,099	2,202,000	57%
Other liabilities	645,034	718,029	21,497	23,785	666,531	741,814	-10%
Total liabilities	4,060,010	2,920,029	54,620	23,785	4,114,630	2,943,814	40%
Deferred inflows of resources	2,036,350	1,505,039	12,632	-	2,049,482	1,505,039	36%
Net Position:							
Net investment in capital assets	2,127,603	1,973,854	33,561	34,052	2,161,164	2,007,906	8%
Restricted	866,399	825,822	-	-	866,399	825,822	5%
Unrestricted	387,720	2,355,675	(56,472)	(20,673)	331,248	2,335,002	-86%
TOTAL NET POSITION	3,381,722	5,155,351	(22,911)	13,379	3,358,811	5,168,730	-35%

The District's total net position decreased by 35%, or \$1,809,919, over the prior year. The largest portion of the District's net position is the invested in capital assets (e.g., land, infrastructure, buildings and equipment), less the related debt. The debt related to the investment in capital assets is liquidated with sources other than capital assets.

Restricted net position represent resources that are subject to external restrictions, constitutional provisions or enabling legislation on how they can be used. The District's restricted net position increased \$40,577 or 5% over the prior year. The increase was primarily a result of increased revenues from operating grants and contributions as well as decreased costs and pension liabilities.

Unrestricted net position . the part of net assets that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation or other legal requirements . decreased \$2,003,754, or 86%. This change in unrestricted net position was a result of the District's net pension liability net pension expense recorded in the current year.

Governmental Accounting Standards Board Statement No. 68, Accounting and Financial Reporting for Pensions . an Amendment of GASB Statement No. 27 was implemented during fiscal year 2015. The beginning net position as of July 1, 2014 for governmental activities and business type activities were restated by \$1,510,849 and \$39,758, respectively, to retroactively report the net pension liability as of June 30, 2013 and deferred outflows of resources related to contributions made after June 30, 2013 but prior to July 1, 2014. Fiscal year 2013 and 2014 financial statement amounts for net pension liabilities, pension expense, deferred outflows of resources and deferred inflows of resources were not restated because the information was not available. In the past pension expense was the amount of the employer contribution. Current reporting provides a more comprehensive measure of pension expense which is more reflective of the amounts employees earned during the year.

Figure A-2 shows the change in net position for the years ended June 30, 2015 compared to the year ended June 30, 2014.

Figure A-2

	Change in Net Position						Percentage Change 2014-2015
	Governmental Activities		Business-type Activities		Total School District		
	2015 \$	2014 (Not restated) \$	2015 \$	2014 (Not restated) \$	2015 \$	2014 (Not restated) \$	
Revenues							
Program Revenues:							
Charges for services	732,661	598,522	112,047	98,644	844,708	697,166	21%
Operating grants & contributions	519,711	611,576	80,277	75,768	599,988	687,344	-13%
Capital grants & contributions	-	-	-	-	-	-	-
General Revenues:							
Property taxes	1,435,611	1,341,483	-	-	1,435,611	1,341,483	7%
Income Surtax	175,462	196,928	-	-	175,462	196,928	-11%
Statewide sales & service tax	279,378	266,506	-	-	279,378	266,506	5%
Unrestricted state grants	1,140,737	1,104,812	-	-	1,140,737	1,104,812	3%
Unrestricted investment earnings	26,757	30,238	149	55	26,906	30,293	-11%
Other revenue	2,738	3,480	-	-	2,738	3,480	-21%
Total Revenues	4,313,055	4,153,545	192,473	174,467	4,505,528	4,328,012	4%
Expenses:							
Instruction	2,809,287	2,766,994	-	-	2,809,287	2,766,994	2%
Support services	1,380,748	1,338,798	-	-	1,380,748	1,338,798	3%
Non-instructional programs	-	-	189,005	180,442	189,005	180,442	5%
Other expenditures	385,800	271,367	-	-	385,800	271,367	42%
Total expenses	4,575,835	4,377,159	189,005	180,442	4,764,840	4,557,601	5%
CHANGE IN NET POSITION	(262,780)	(223,614)	3,468	(5,975)	(259,312)	(229,589)	-13%
Net position beginning of year (restated)	3,644,502	5,378,965	(26,379)	19,354	3,618,123	5,398,319	-33%
Net position end of year	3,381,722	5,155,351	(22,911)	13,379	3,358,811	5,168,730	-35%

Property tax and unrestricted state grants account for 57% of the total revenue. The District's expenses primarily relate to instruction and support services, which account for 88% of the total expenses.

Governmental Activities

Revenues for governmental activities were \$4,313,055 and expenses were \$4,575,835.

The following table presents the total and net cost of the District's major governmental activities: instruction, support services, non-instructional programs and other expenses.

Figure A-3

Total and Net Cost of Governmental Activities

	Total Cost of Services	Total Cost Of Services	Net Cost of Services	Net Cost of Services
	2015	2014 (Not restated)	2015	2014 (Not restated)
	\$	\$	\$	\$
Instruction	2,809,287	2,766,994	1,711,481	1,829,295
Support Services	1,380,748	1,338,798	1,376,870	1,217,641
Other Expenses	385,800	271,367	235,112	120,125
TOTAL	4,575,835	4,377,159	3,323,463	3,167,061

- The cost financed by users of the District's programs was \$732,661.
- Federal and state governments and others subsidized certain programs with grants and contributions totaling \$519,711.
- The net cost of governmental activities was financed with \$1,890,451 in property and other taxes and \$1,140,737 in unrestricted state grants.

Business Type Activities

Revenues for business type activities were \$192,473 and expenses were \$189,005. The District's business type activities include the School Nutrition Fund. Revenues of these activities were comprised of charges for service, federal and state reimbursements and investment income.

INDIVIDUAL FUND ANALYSIS

As previously noted, Glidden-Ralston Community School District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

The financial performance of the District as a whole is reflected in its governmental funds, as well. As the District completed the year, its governmental funds reported a combined fund balance of \$3,459,169.

Governmental Fund Highlights

- The General Fund balance decreased from \$2,801,504 to \$2,482,060. The decrease was due primarily to decreased revenues from State and Federal sources due to declining enrollment and a lower than normal increase in state aid.
- The Capital Project Fund includes revenues from sales tax and from the physical plant and equipment property tax levy. These two revenue streams and the related expenditures are tracked separately in the District's accounting records, but are combined into one Capital Projects Fund for financial reporting. The monies in the Capital Projects fund will be used for future capital improvements and equipment purchases.
- The Physical Plant and Equipment Levy account balance decreased from \$45,615 at June 30, 2014 to \$(33,410) at June 30, 2015.

- The Statewide Sales Tax account balance increased from \$638,367 at June 30, 2014 to \$649,800 at June 30, 2015.

Proprietary Fund Highlights

School Nutrition Fund net position increased from \$(26,379) at June 30, 2014 to \$(22,911) at June 30, 2015, representing a decrease of approximately 13%. The District reflected the related expenses for the net OPEB liability, which caused an overall reduction of net position.

BUDGETARY HIGHLIGHTS

Total expenditures were less than budgeted, due primarily to the District's budget for the General Fund. It is the District's practice to budget expenditures at the maximum authorized spending authority for the General Fund. The District then manages or controls General Fund spending through its line-item budget. As a result, the District's certified budget should always exceed actual expenditures for the year.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At June 30, 2015, the District had invested \$3,731,164 million, net of accumulated depreciation, in a broad range of capital assets, including land, buildings, athletic facilities, computers, audio-visual equipment and transportation equipment. (See Figure A-4) This represents a net decrease of 1% from last year. More detailed information about the District's capital assets is presented in Note 3 to the financial statements. Depreciation expense for the year was \$268,791.

Figure A-4

Capital Assets (net of depreciation)

	Governmental Activities		Business type Activities		Total School District		Percentage Change
	2015	2014	2015	2014	2015	2014	2014-2015
	\$	\$	\$	\$	\$	\$	
Land	10,000	10,000	-	-	10,000	10,000	0%
Construction in progress	-	609,454	-	-	-	609,454	-100%
Buildings	2,814,442	2,902,492	-	-	2,814,442	2,902,492	-3%
Improvements other than buildings	858,598	55,988	-	-	858,598	55,988	1,434%
Equipment & Furniture	14,563	160,920	33,561	34,052	48,124	194,972	-75%
TOTAL	3,697,603	3,738,854	33,561	34,052	3,731,164	3,772,906	-1%

Long-Term Debt

At June 30, 2015, the District had \$3,414,976 in general obligation and other long-term debt outstanding. (See Figure A-5) Additional information about the District's long-term debt is presented in Note 4 to the financial statements.

Figure A-5
Outstanding Long-Term Obligations

	Total School District		Percentage Change
	2015	2014	2014-2015
	\$	\$	
Governmental Activities:			
General Obligation Bonds	895,000	1,090,000	-18%
Revenue Bonds	675,000	675,000	0%
Net Pension Liability	1,329,976	-	100%
Net OPEB Liability	515,000	437,000	18%
	<u>3,414,976</u>	<u>2,202,000</u>	<u>55%</u>
Business Type Activities:			
Net Pension Liability	<u>33,123</u>	<u>44,638</u>	<u>-26</u>

ECONOMIC FACTORS BEARING ON THE DISTRICT'S FUTURE

At the time these financial statements were prepared and audited, the District was aware of several existing circumstances that could significantly affect its financial health in the future:

- School financing is highly dependent upon student enrollment. The District's October 1, 2015 enrollment decreased by 2 students.
- Increased opportunities for sharing (between neighboring districts and DMACC-Carroll Campus) may increase costs or decrease costs depending on annual negotiated agreements and legislative decisions about sharing incentive money.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide the District's citizens, taxpayers, customers, investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact Denise Best, District Secretary/Treasurer and Business Manager, Glidden-Ralston Community School District, 602 Idaho, Glidden, Iowa 51443.

BASIC FINANCIAL STATEMENTS

GLIDDEN-RALSTON COMMUNITY SCHOOL DISTRICT

Statement of Net Position

June 30, 2015

	Governmental Activities \$	Business Type Activities \$	Total \$
Assets			
Cash, cash equivalents and pooled investments	3,657,928	-	3,657,928
Receivables:			
Property tax:			
Delinquent	8,394	-	8,394
Succeeding year	1,529,635	-	1,529,635
Accounts	20,674	20	20,694
Due from other governments	223,308	-	223,308
Inventories	-	2,633	2,633
Bond discount	14,698	-	14,698
Capital assets, net of accumulated depreciation	3,697,603	33,561	3,731,164
Total assets	9,152,240	36,214	9,188,454
Deferred Outflows of Resources			
Pension related deferred outflows	326,342	8,127	334,469
Liabilities			
Warrants issued in excess of bank balance	151,485	15,903	167,388
Accounts payable	96,243	-	96,243
Salaries and benefits payable	388,631	799	389,430
Accrued interest payable	8,675	-	8,675
Deferred revenue:			
Other	-	4,795	4,795
Long-term liabilities:			
Portion due within one year:			
General obligation bonds payable	195,000	-	195,000
Revenue bonds payable	100,000	-	100,000
Portion due after one year:			
General obligation bonds payable	700,000	-	700,000
Revenue bonds payable	575,000	-	575,000
Net pension liability	1,329,976	33,123	1,363,099
Net OPEB liability	515,000	-	515,000
Total liabilities	4,060,010	54,620	4,114,630
Deferred Inflows of Resources			
Unavailable property tax revenue	1,529,635	-	1,529,635
Pension related deferred inflows	507,215	12,632	519,847
Total deferred inflows of resources	2,036,850	12,632	2,049,482

GLIDDEN-RALSTON COMMUNITY SCHOOL DISTRICT

Statement of Net Position

June 30, 2015

	Governmental Activities	Business Type Activities	Total
	\$	\$	\$
Net position			
Net investment in capital assets	2,127,603	33,561	2,161,164
Restricted for:			
Categorical funding	81,827	-	81,827
Management levy	90,536	-	90,536
Student activities	44,236	-	44,236
School infrastructure	649,800	-	649,800
Unrestricted	387,720	(56,472)	331,248
Total net position	3,381,722	(22,911)	3,358,811

GLIDDEN-RALSTON COMMUNITY SCHOOL DISTRICT

Statement of Activities

Year ended June 30, 2015

Functions/Programs	Program Revenues			
	Expenses	Charges for Services	Operating Grants, Contributions and Restricted Interest	Capital Grants, Contributions and Restricted Interest
	\$	\$	\$	\$
Governmental activities:				
Instruction:				
Regular	1,865,548	533,831	333,281	-
Special	350,816	18,603	23,769	-
Other	592,923	150,996	37,326	-
	<u>2,809,287</u>	<u>703,430</u>	<u>394,376</u>	<u>-</u>
Support services:				
Student	149,507	-	-	-
Instructional staff	175,172	-	-	-
Administration	513,170	-	-	-
Operation and maintenance of plant	394,651	-	-	-
Transportation services	148,248	-	3,878	-
	<u>1,380,748</u>	<u>-</u>	<u>3,878</u>	<u>-</u>
Other expenditures:				
Facilities acquisition	144,556	-	-	-
Long-term debt interest	26,500	29,231	-	-
AEA flowthrough	121,457	-	121,457	-
Depreciation (unallocated)*	93,287	-	-	-
	<u>385,800</u>	<u>29,231</u>	<u>121,457</u>	<u>-</u>
Total governmental activities	<u>4,575,835</u>	<u>732,661</u>	<u>519,711</u>	<u>-</u>
Business type activities:				
Non-instructional programs:				
Food service operations	189,005	112,047	80,277	-
Total business type activities	<u>4,764,840</u>	<u>844,708</u>	<u>599,988</u>	<u>-</u>
General Revenues:				
Property taxes levied for:				
General purposes				
Debt service				
Capital outlay				
Income surtax				
Statewide sales, services and use tax				
Unrestricted state grants				
Unrestricted investment earnings				
Other				
Total general revenues				
Change in net position				
Net position beginning of year (restated)				
Net position end of year				

*This amount excludes the depreciation that is included in the direct expenses of the various programs.

Net (Expense) Revenue and Changes in Net Position

<u>Governmental Activities</u>	<u>Business Type Activities</u>	<u>Total</u>
<u>\$</u>	<u>\$</u>	<u>\$</u>
(998,436)	-	(998,436)
(308,444)	-	(308,444)
(404,601)	-	(404,601)
<u>(1,711,481)</u>	<u>-</u>	<u>(1,711,481)</u>
(149,507)	-	(149,507)
(175,172)	-	(175,172)
(513,170)	-	(513,170)
(394,651)	-	(394,651)
(144,370)	-	(144,370)
<u>(1,376,870)</u>	<u>-</u>	<u>(1,376,870)</u>
(144,556)	-	(144,556)
2,731	-	2,731
-	-	-
<u>(93,287)</u>	<u>-</u>	<u>(93,287)</u>
<u>(235,112)</u>	<u>-</u>	<u>(235,112)</u>
<u>(3,323,463)</u>	<u>-</u>	<u>(3,323,463)</u>
-	3,319	3,319
<u>(3,323,463)</u>	<u>3,319</u>	<u>(3,320,144)</u>
1,210,078	-	1,210,078
178,327	-	178,327
47,206	-	47,206
175,462	-	175,462
279,378	-	279,378
1,140,737	-	1,140,737
26,757	149	26,906
2,738	-	2,738
<u>3,060,683</u>	<u>149</u>	<u>3,060,832</u>
(262,780)	3,468	(259,312)
<u>3,644,502</u>	<u>(26,379)</u>	<u>3,618,123</u>
<u>3,381,722</u>	<u>(22,911)</u>	<u>3,358,811</u>

GLIDDEN-RALSTON COMMUNITY SCHOOL DISTRICT

Balance Sheet
Governmental Funds

June 30, 2015

	General	Debt	Nonmajor	Nonmajor	Total
	\$	Service	Capital	Governmental	\$
Assets			Projects		
	\$	\$	\$	\$	\$
Cash, cash equivalents and pooled investments	2,912,534	-	610,874	134,520	3,657,928
Receivables:					
Property tax:					
Delinquent	5,994	1,044	255	1,101	8,394
Succeeding year	1,249,010	103,671	48,954	128,000	1,529,635
Accounts	20,398	-	276	-	20,674
Due from other governments	180,166	-	43,142	-	223,308
Total assets	4,368,102	104,715	703,501	263,621	5,439,939
Liabilities, Deferred Inflows of Resources and Fund Balances					
Liabilities:					
Bank overdraft	-	117,545	33,940	-	151,485
Accounts payable	91,177	-	4,217	849	96,243
Salaries and benefits payable	388,631	-	-	-	388,631
Total liabilities	<u>479,808</u>	<u>117,545</u>	<u>38,157</u>	<u>849</u>	<u>636,359</u>
Deferred inflows of resources:					
Unavailable revenues:					
Succeeding year property tax	1,249,010	103,671	48,954	128,000	1,529,635
Income surtax	157,224	-	-	-	157,224
Total deferred inflows of resources	<u>1,406,234</u>	<u>103,671</u>	<u>48,954</u>	<u>128,000</u>	<u>1,686,859</u>
Fund balances:					
Restricted for:					
Categorical funding	81,827	-	-	-	81,827
Management levy	-	-	-	90,536	90,536
Student activities	-	-	-	44,236	44,236
School infrastructure	-	-	649,800	-	649,800
Unassigned	2,400,233	(116,501)	(33,410)	-	2,250,322
Total fund balances	<u>2,482,060</u>	<u>(116,501)</u>	<u>616,390</u>	<u>134,772</u>	<u>3,116,721</u>
Total liabilities, deferred inflows of resources and fund balances	4,368,102	104,715	703,501	263,621	5,439,939

GLIDDEN-RALSTON COMMUNITY SCHOOL DISTRICT

Reconciliation of the Balance Sheet - Governmental Funds
to the Statement of Net Position

June 30, 2015

		\$
Total fund balances of governmental funds (Exhibit C)		3,116,721
<i>Amounts reported for governmental activities in the Statement of Net Position are different because:</i>		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported as assets in the governmental funds.		3,697,603
Unamortized bond discounts are recorded in the governmental activities.		14,698
Other long-term assets are not available to pay current period expenditures and, therefore, are recognized as deferred inflows of resources in the governmental funds.		157,224
Accrued interest payable on long-term liabilities is not due and payable in the current period and, therefore, is not reported as a liability in the governmental funds.		(8,675)
Pension related deferred outflows of resources and deferred inflows of resources are not due and payable in the current year and, therefore, are not reported in the governmental funds, as follows:		
Deferred outflows of resources	326,342	
Deferred inflows of resources	<u>(507,215)</u>	(180,873)
Long-term liabilities, including bonds payable, termination benefits, other post employment benefits payable and net pension liability are not due and payable in the current period and therefore, are not reported as liabilities in the governmental funds.		<u>(3,414,976)</u>
Net position of governmental activities (Exhibit A)		<u><u>3,381,722</u></u>

GLIDDEN-RALSTON COMMUNITY SCHOOL DISTRICT

Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds

Year ended June 30, 2015

	General	Debt Service	Nonmajor Capital Projects	Nonmajor Governmental	Total
	\$	\$	\$	\$	\$
Revenues:					
Local sources:					
Local tax	1,252,397	178,327	47,206	131,986	1,609,916
Tuition	376,597	-	-	-	376,597
Other	201,739	29,231	2,960	151,629	385,559
State sources	1,506,529	2,174	279,953	68,493	1,857,149
Federal sources	82,677	-	-	-	82,677
Total revenues	<u>3,419,939</u>	<u>209,732</u>	<u>330,119</u>	<u>352,108</u>	<u>4,311,898</u>
Expenditures:					
Current:					
Instruction:					
Regular	1,694,264	-	-	19,377	1,713,641
Special	342,149	-	-	-	342,149
Other	427,460	-	-	158,963	586,423
	<u>2,463,873</u>	<u>-</u>	<u>-</u>	<u>178,340</u>	<u>2,642,213</u>
Support services:					
Student	149,452	-	-	-	149,452
Instructional staff	173,005	-	-	-	173,005
Administration	464,763	-	-	42,924	507,687
Operation and maintenance of plant	264,648	-	36,243	90,245	391,136
Transportation	102,185	-	-	-	102,185
	<u>1,154,053</u>	<u>-</u>	<u>36,243</u>	<u>133,169</u>	<u>1,323,465</u>
Other expenditures:					
Facilities acquisition	-	-	342,949	-	342,949
Long-term debt:					
Principal	-	195,000	-	-	195,000
Interest and fiscal charges	-	29,262	-	-	29,262
AEA flowthrough	121,457	-	-	-	121,457
	<u>121,457</u>	<u>224,262</u>	<u>342,949</u>	<u>-</u>	<u>688,668</u>
Total expenditures	<u>3,739,383</u>	<u>224,262</u>	<u>379,192</u>	<u>311,509</u>	<u>4,654,346</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(319,444)</u>	<u>(14,530)</u>	<u>(49,073)</u>	<u>40,599</u>	<u>(342,448)</u>

GLIDDEN-RALSTON COMMUNITY SCHOOL DISTRICT

Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds

Year ended June 30, 2015

	General	Debt Service	Nonmajor Capital Projects	Nonmajor Governmental	Total
	\$	\$	\$	\$	\$
Other financing sources (uses):					
Transfers in	-	18,519	-	-	18,519
Transfers out	-	-	(18,519)	-	(18,519)
Total other financing sources (uses)	-	18,519	(18,519)	-	-
Change in fund balances	(319,444)	3,989	(67,592)	40,599	(342,448)
Fund balances beginning of year	2,801,504	(120,490)	683,982	94,173	3,459,169
Fund balances end of year	2,482,060	(116,501)	616,390	134,772	3,116,721

GLIDDEN-RALSTON COMMUNITY SCHOOL DISTRICT

Reconciliation of the Statement of Revenues, Expenditures and
Changes in Fund Balances - Governmental Funds to the
Statement of Activities

Year ended June 30, 2015

	\$	\$
Change in fund balances - total governmental funds (Exhibit E)		(342,448)
<i>Amounts reported for governmental activities in the Statement of Activities are different because:</i>		
Capital outlays to purchase or build capital assets are reported in governmental funds as expenditures. However, those costs are not reported in the Statement of Activities and are allocated over their estimated useful lives as depreciation expense in the Statement of Activities. Depreciation expense and capital outlay expenditures in the current year are as follows:		
Expenditures for capital assets	220,136	
Depreciation expense	<u>(261,387)</u>	(41,251)
Amortization of bond discount.		(2,939)
Income surtaxes not collected for several months after the District's fiscal year ends are not considered "available" revenues in the governmental funds and are included as deferred revenues. They are, however, recorded as revenues in the Statement of Activities.		1,157
Repayment of long-term liability principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position.		195,000
Interest on long-term debt in the Statement of Activities differs from the amount reported in the governmental funds because interest is recorded as an expenditure in the funds when due. In the Statement of Activities, interest expense is recognized as the interest accrues, regardless of when it is due.		5,701
The current year District employer share of IPERS contributions are reported as expenditures in the governmental funds, but are reported as a deferred outflow of resources in the Statement of Net Position.		197,969
Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds, as follows:		
Pension expense	(112,448)	
Other postemployment benefits	<u>(78,000)</u>	(190,448)
Increase long-term liabilities in the Statement of Net Position.		<u>(85,521)</u>
Changes in net position of governmental activities (Exhibit B)		<u><u>(262,780)</u></u>

GLIDDEN-RALSTON COMMUNITY SCHOOL DISTRICT

Statement of Net Position
Proprietary Funds

June 30, 2015

	Nonmajor School Nutrition
	<u>\$</u>
Assets	
Current assets:	
Accounts receivable	20
Inventories	2,633
Total current assets	<u>2,653</u>
Noncurrent assets:	
Capital assets, net of accumulated depreciation	<u>33,561</u>
Total assets	<u>36,214</u>
Deferred Outflows of Resources	
Pension related deferred outflows	<u>8,127</u>
Liabilities	
Current liabilities:	
Bank overdraft	15,903
Salaries and benefits payable	799
Deferred revenue	4,795
Total current liabilities	<u>21,497</u>
Noncurrent liabilities:	
Net pension liability	<u>33,123</u>
Total liabilities	<u>54,620</u>
Deferred Inflows of Resources	
Pension related deferred inflows	<u>12,632</u>
Net position	
Invested in capital assets	33,561
Unrestricted	<u>(56,472)</u>
Total net position	<u><u>(22,911)</u></u>

GLIDDEN-RALSTON COMMUNITY SCHOOL DISTRICT

Statement of Revenues, Expenses, and Changes in Fund Net Position
Proprietary Funds

Year ended June 30, 2015

	Nonmajor School Nutrition
	<u>\$</u>
Operating revenues:	
Local sources:	
Charges for service	<u>112,047</u>
Operating expenses:	
Non-instructional programs:	
Salaries	50,616
Benefits	13,237
Supplies	117,748
Depreciation	7,404
Total operating expenses	<u>189,005</u>
Operating income (loss)	<u>(76,958)</u>
Non-operating revenues:	
State sources	1,578
Federal sources	78,699
Interest income	149
Total non-operating revenues	<u>80,426</u>
Change in net position	3,468
Net position beginning of year (restated)	<u>(26,379)</u>
Net position end of year	<u><u>(22,911)</u></u>

GLIDDEN-RALSTON COMMUNITY SCHOOL DISTRICT

Statement of Cash Flows
Proprietary Funds

Year ended June 30, 2015

Enterprise
Fund
Nonmajor
School
Nutrition

\$

Cash flows from operating activities:

Cash received from sale of lunches and breakfasts

112,530

Cash paid to employees for services

(67,101)

Cash paid to suppliers for goods or services

(102,430)

Net cash used by operating activities

(57,001)

Cash flows from non-capital financing activities:

State grants received

1,578

Federal grants received

63,856

Net cash provided by non-capital financing activities

65,434

Cash flows from capital and related financing activities:

Acquisition of capital assets

(6,913)

Cash flows from investing activities:

Interest on investments

149

Net increase (decrease) in cash and cash equivalents

1,669

Cash and cash equivalents at beginning of year

(17,572)

Cash and cash equivalents at end of year

(15,903)

Reconciliation of operating income (loss) to net cash used by operating activities:

Operating income (loss)

(76,958)

Adjustments to reconcile operating income (loss)
to net cash used by operating activities:

Commodities used

14,843

Depreciation

7,404

Decrease (increase) in inventories

475

Decrease (increase) in accounts receivable

(16)

(Decrease) increase in salaries and benefits payable

(1,118)

(Decrease) increase in deferred revenue

499

Decrease in net pension liability

(11,515)

Increase in deferred outflows of resources

(3,247)

Increase in deferred inflows of resources

12,632

Net cash used by operating activities

(57,001)

Non-cash investing, capital and related financing activities:

During the year ended June 30, 2015 the District received \$14,843 of federal commodities.

GLIDDEN-RALSTON COMMUNITY SCHOOL DISTRICT

Notes to Financial Statements

June 30, 2015

1. Summary of Significant Accounting Policies

Glidden-Ralston Community School District is a political subdivision of the State of Iowa and operates public schools for children in grades kindergarten through twelve and special education pre-kindergarten. The geographic area served includes the Cities of Glidden and Ralston, Iowa and the predominately agricultural territory in a portion of Carroll and Greene Counties. The District is governed by a Board of Education whose members are elected on a non-partisan basis.

The District's financial statements are prepared in conformity with U.S. generally accepted accounting principles as prescribed by the Governmental Accounting Standards Board.

A. Reporting Entity

For financial reporting purposes, Glidden-Ralston Community School District has included all funds, organizations, agencies, boards, commissions, and authorities. The District has also considered all potential component units for which it is financially accountable and other organizations for which the nature and significance of their relationship with the District are such that exclusion would cause the District's financial statements to be misleading or incomplete. The Governmental Accounting Standards Board has set forth criteria to be considered in determining financial accountability. These criteria include appointing a voting majority of an organization's governing body and (1) the ability of the District to impose its will on that organization or (2) the potential for the organization to provide specific benefits to, or impose specific financial burdens on the District. The Elmer Smith Scholarship School Trust meets the criteria for a component unit.

The board of directors of the Glidden-Ralston Community School District is also the trustee of the Elmer Smith Scholarship School Trust. Up to 60% of the Trust's income may benefit the Glidden-Ralston Community School District, \$750 annually benefits other local charities and the rest of the income provides college scholarships to graduates of the Glidden-Ralston Community School District. Under U.S. generally accepted governmental accounting standards the Trust should be included in the District's financial statements. The Trust has not been included in these financial statements upon the advice of the Trust's legal counsel.

Jointly Governed Organizations - The District participates in a jointly governed organization that provides services to the District but does not meet the criteria of a joint venture since there is no ongoing financial interest or responsibility by the participating governments. The District is a member of the County Assessor's Conference Board.

B. Basis of Presentation

Government-wide Financial Statements - The Statement of Net Position and the Statement of Activities report information on all of the nonfiduciary activities of the District. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by tax and intergovernmental revenues, are reported separately from business type activities, which rely to a significant extent on fees and charges for service.

The Statement of Net Position presents the District's nonfiduciary assets, deferred outflows of resources, liabilities and deferred inflows of resources, with the difference reported as net position. Net position is reported in the following categories:

Net investment in capital assets consists of capital assets, net of accumulated depreciation and reduced by outstanding balances for bonds, notes, and other debt attributable to the acquisition, construction, or improvement of those assets.

Restricted net position results when constraints placed on net position use are either externally imposed or are imposed by law through constitutional provisions or enabling legislation. Enabling legislation did not result in any restricted net position.

Unrestricted net position consists of net position not meeting the definition of the preceding categories. Unrestricted net position is often subject to constraints imposed by management which can be removed or modified.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those clearly identifiable with a specific function. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function and 2) grants, contributions, and interest restricted to meeting the operational or capital requirements of a particular function. Property tax and other items not properly included among program revenues are reported instead as general revenues.

Fund Financial Statements . Separate financial statements are provided for governmental and proprietary funds. Major individual governmental funds are reported as separate columns in the fund financial statements. All remaining governmental funds are aggregated and reported as nonmajor governmental funds. Combining schedules are also included for the Capital Project Fund accounts.

The District reports the following major governmental funds:

The General Fund is the general operating fund of the District. All general tax revenues and other revenues not allocated by law or contractual agreement to some other fund are accounted for in this fund. From the fund are paid the general operating expenditures, including instructional, support and other costs.

The Capital Projects Fund is used to account for all resources used in the acquisition and construction of capital facilities and other capital assets.

The Debt Service Fund is used to retire debt of the District.

The District's proprietary fund consists of the Enterprise, School Nutrition Fund. This fund is used to account for the operations of the District's food service operations.

C. Measurement Focus and Basis of Accounting

The government-wide, proprietary and fiduciary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property tax is recognized as revenue in the year for which it is levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been satisfied.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days after year end.

Property tax, intergovernmental revenues (shared revenues, grants, and reimbursements from other governments) and interest associated with the current fiscal period are all considered to be susceptible to accrual. All other revenue items are considered to be measurable and available only when cash is received by the District.

Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, principal and interest on long-term debt, claims and judgements, and compensated absences are recognized as expenditures only when payment is due. Capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

Under the terms of grant agreements, the District funds certain programs by a combination of specific cost-reimbursement grants and general revenues. Thus, when program expenses are incurred, there are both restricted and unrestricted, net position available to finance the program. It is the District's policy to first apply cost-reimbursement grant resources to such programs, and then general revenues.

When an expenditure is incurred in governmental funds which can be paid using either restricted or unrestricted resources, the district's policy is generally to first apply the expenditure toward restricted fund balance and then to less-restrictive classifications . committed, assigned, and then unassigned fund balances.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the District's Enterprise Fund is charges to customers for sales and services. Operating expenses for Enterprise Funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

The District maintains its financial records on the cash basis. The financial statements of the District are prepared by making memorandum adjusting entries to the cash basis financial records.

D. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources and Fund Equity

The following accounting policies are followed in preparing the financial statements:

Cash, Cash Equivalents and Pooled Investments - The cash balances of most District funds are pooled and invested. Investments are stated at fair value except for the investment in the Iowa Schools Joint Investment Trust which is valued at amortized cost and non-negotiable certificates of deposit, which are stated at cost.

For purposes of the Statement of Cash Flows, all short-term cash investments that are highly liquid are considered to be cash equivalents. Cash equivalents are readily convertible to known amounts of cash, and at the day of purchase, have a maturity date no longer than three months.

Property Tax Receivable . Property tax in governmental funds is accounted for using the modified accrual basis of accounting.

Property tax receivable is recognized in these funds on the levy or lien date, which is the date the tax asking is certified by the Board of Education. Delinquent property tax receivable represents unpaid taxes for the current and prior years. The succeeding year property tax receivable represents taxes certified by the Board of Education to be collected in the next fiscal year for the purposes set out in the budget for the next fiscal year. By statute, the District is required to certify its budget in April of each year for the subsequent fiscal year.

However, by statute, the tax asking and budget certification for the following fiscal year becomes effective on the first day of that year. Although the succeeding year property tax receivable has been recorded, the related revenue is deferred in both the government-wide and fund financial statements and will not be recognized as revenue until the year for which it is levied.

Property tax revenue recognized in these funds become due and collectible in September and March of the fiscal year with a 1 ½% per month penalty for delinquent payments; is based on January 1, 2013 assessed property valuations; is for the tax accrual period July 1, 2014 through June 30, 2015 and reflects the tax asking contained in the budget certified to the County Board of Supervisors in April, 2014.

Due from Other Governments - Due from other governments represents amounts due from the State of Iowa, various shared revenues, grants, and reimbursements from other governments.

Inventories - Inventories are valued at cost using the first-in, first-out method for purchased items and government commodities. Inventories of proprietary funds are recorded as expenses when consumed rather than when purchased or received.

Capital Assets . Capital assets, which include property, furniture and equipment and intangibles, are reported in the applicable governmental or business type activities columns in the government-wide Statement of Net Position. Capital assets are recorded at historical cost. Donated capital assets are recorded at estimated fair market value at the date of donation. The costs of normal maintenance and repair that do not add to the value of the asset or materially extend asset lives are not capitalized. Capital assets are defined by the District as assets with an initial, individual cost in excess of the following thresholds and estimated useful lives in excess of two years.

<u>Asset Class</u>	<u>Amount</u>
	\$
Land	5,000
Buildings	5,000
Improvements other than buildings	5,000
Intangibles	25,000
Furniture and equipment:	
School Nutrition Fund equipment	500
Other furniture and equipment	2,500

Capital assets are depreciated using the straight line method over the following estimated useful lives:

<u>Asset Class</u>	<u>Estimated Useful Lives</u>
Buildings	50 years
Improvements other than buildings	5-25 years
Intangibles	3-20 years
Furniture and equipment	3-15 years

The District's collection of library books and other similar materials are not capitalized. These collections are unencumbered, held for public exhibition and education, protected, cared for and preserved and subject to District policy that requires proceeds from the sale of these items, if any, to be used to acquire other collection items.

Deferred Outflows of Resources . Deferred outflows of resources represent a consumption of net position that applies to a future period(s) and will not be recognized as an outflow of resources (expense/expenditure) until then. Deferred outflows of resources consist of unrecognized items not yet charged to pension expense and contributions from the employer after the measurement date but before the end of the employer's reporting period.

Salaries and Benefits Payable . Payroll and related expenditures for teachers with annual contracts corresponding to the current school year, which are payable in July and August, have been accrued as liabilities.

Advances from Grantors . Grant proceeds which have been received by the District but will be spent in a succeeding fiscal year.

Compensated Absences - District employees accumulate a limited amount of earned but unused vacation and sick leave hours for subsequent use. Employees are not paid for unused vacation and sick leave benefits when employment with the District ends.

Long-term Liabilities . In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the governmental activities column in the Statement of Net Position.

Pensions . For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Iowa Public Employees Retirement System (IPERS) and additions to/deductions from IPERS fiduciary net position have been determined on the same basis as they are reported by IPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Deferred Inflows of Resources . Deferred inflows of resources represent an acquisition of net position that applies to a future period(s) and will not be recognized as an inflow of resources (revenue) until that time. Although certain revenues are measurable, they are not available. Available means collected within the current year or expected to be collected soon enough thereafter to be used to pay liabilities of the current year. Deferred inflows of resources in the governmental fund financial statements represent the amount of assets that have been recognized, but the related revenue has not been recognized since the assets are not collected within the current year or expected to be collected soon enough thereafter to be used to pay liabilities of the current year. Deferred inflows of resources consist of property tax receivable and other receivables not collected within sixty days after year end.

Deferred inflows of resources in the Statement of Net Position consist of succeeding year property tax receivables that will not be recognized until the year for which it is levied and the unamortized portion of the net difference between projected and actual earnings on pension plan investments.

Fund Equity . In the governmental fund financial statements fund balances are classified as follows:

Restricted . Amounts restricted to specific purposes when constraints placed on the use of the resources are either externally imposed by creditors, grantors or state or federal laws or imposed by law through constitutional provisions or enabling legislation.

Unassigned . All amounts not included in the preceding classifications.

E. Budgets and Budgetary Accounting

The budgetary comparison and related disclosures are reported as Required Supplementary Information. During the year ended June 30, 2015, expenditures did not exceed the amended amounts budgeted.

2. **Cash, Cash Equivalents and Pooled Investments**

The District's deposits in banks at June 30, 2015 were entirely covered by Federal depository insurance, or by the State Sinking Fund in accordance with Chapter 12C of the Code of Iowa. This chapter provides for additional assessments against the depositories to insure there will be no loss of public funds.

The District is authorized by statute to invest public funds in obligations of the United States government, its agencies and instrumentalities; certificates of deposit or other evidences of deposit at federally insured depository institutions approved by the Board of Education; prime eligible bankers acceptances; certain high rated commercial paper; perfected repurchase agreements; certain registered open-end management investment companies; certain joint investment trusts; and warrants or improvement certificates of a drainage district.

The District had no investments meeting the disclosure requirements of Governmental Accounting Standards Board Statement No. 3 as amended by Statement No. 40.

3. **Capital Assets**

Capital assets activity for the year ended June 30, 2015 was as follows:

	Balance Beginning of Year	Increases	Decreases	Balance End of Year
	\$	\$	\$	\$
Governmental activities:				
Capital assets not being depreciated:				
Land	10,000	-	-	10,000
Construction in progress	609,454	198,393	807,847	-
Total capital assets not being dpr.	619,454	198,393	807,847	10,000
Capital assets being depreciated:				
Buildings	4,918,645	-	-	4,918,645
Improvements other than buildings	107,912	807,847	-	915,759
Furniture and equipment	803,718	21,743	-	825,461
Total capital assets being deprec.	5,830,275	829,590	-	6,659,865
Less accumulated depreciation for:				
Buildings	2,016,153	88,050	-	2,104,203
Improvements other than buildings	51,924	5,237	-	57,161
Furniture and equipment	642,798	168,100	-	810,898
Total accumulated depreciation	2,710,875	261,387	-	2,972,262
Total capital assets being depreciated, net	3,119,400	568,203	-	3,687,603
Governmental activities capital assets, net	3,738,854	766,596	807,847	3,697,603

	Balance Beginning of Year	Increases	Decreases	Balance End of Year
	\$	\$	\$	\$
Business type activities:				
Furniture and equipment	178,143	6,913	-	185,056
Less accumulated depreciation	<u>144,091</u>	<u>7,404</u>	<u>-</u>	<u>151,495</u>
Business type activities capital assets, net	<u>34,052</u>	<u>(491)</u>	<u>-</u>	<u>33,561</u>

Depreciation expense was charged to the following functions:

	\$
Instruction:	
Regular instruction	102,074
Support services:	
Student support	17,465
Administration	1,150
Operation and maintenance	1,348
Transportation	<u>46,063</u>
	168,100
Unallocated depreciation	<u>93,287</u>
Total depreciation expense . governmental activities	<u>261,387</u>
Business type activities:	
Food services	<u>7,404</u>

4. Long-Term Liabilities

Changes in long-term liabilities for the year ended June 30, 2015 are summarized as follows:

	Balance Beginning of Year	Additions	Reductions	Balance End of Year	Due Within One Year
	\$	\$	\$	\$	\$
Governmental activities:					
General obligation bonds	1,090,000	-	195,000	895,000	195,000
Revenue bonds	675,000	-	-	675,000	100,000
Net pension liability	1,792,330	-	462,354	1,329,976	-
Net OPEB liability	<u>437,000</u>	<u>78,000</u>	<u>-</u>	<u>515,000</u>	<u>-</u>
Total	<u>3,994,330</u>	<u>78,000</u>	<u>657,354</u>	<u>3,414,976</u>	<u>295,000</u>
Business type activities:					
Net pension liability	<u>44,638</u>	<u>-</u>	<u>11,515</u>	<u>33,123</u>	<u>-</u>

Revenue Bonds

Details of the District's June 30, 2015 statewide sales, services and use tax revenue bonded indebtedness are as follows:

Year Ending June 30,	Bond Issue of 2013			
	Interest Rates	Principal	Interest	Total
	%	\$	\$	\$
2016	1.00	100,000	15,488	115,488
2017	1.30	100,000	14,337	114,337
2018	1.30	-	13,688	13,688
2019	1.30	-	13,687	13,687
2020	1.30	-	13,688	13,688
2021-2025	1.30-3.20	475,000	43,468	518,468
		<u>675,000</u>	<u>114,356</u>	<u>789,356</u>

The District has pledged future statewide sales, services and use tax revenues to repay the \$675,000 bonds issued in October 2013. The bonds were issued for the purpose of financing the district's HVAC improvement project. The bonds are payable solely from the proceeds of the statewide sales, services and use tax revenues received by the District and are payable through 2025. The bonds are not a general obligation of the District. However, the debt is subject to the constitutional debt limitation of the District. Annual principal and interest payments on the bonds are expected to require nearly 45% of the statewide sales, services and use tax revenues. The total principal and interest remaining to be paid on the notes is \$789,356. For the current year, no principal and no interest was paid on the bonds and total statewide sales, services and use tax revenues were \$279,378.

General Obligation Bonds Payable

Details of the District's June 30, 2015 general obligation bonded indebtedness are as follows:

Year Ended June 30,	Refunding Bond Issue of May 2013			
	Interest Rates	Principal	Interest	Total
	%	\$	\$	\$
2016	0.60	195,000	8,170	203,170
2017	0.75	200,000	7,000	207,000
2018	1.00	200,000	5,500	205,500
2019	1.10	200,000	3,500	203,500
2020	1.30	100,000	1,300	101,300
		<u>895,000</u>	<u>25,470</u>	<u>920,470</u>

Bond Refunding

On May 1, 2013, the District issued \$1,280,000 of general obligation refunding bonds with interest rates ranging between 0.4% and 1.3%. The District issued the bonds to refund \$1,415,000 of the outstanding November, 2005 general obligation refunding bonds with interest rates of 3.7% to 4.1%. The District used the net proceeds to call and pay the balance of the 2005 issue.

The refunding reduced total debt service payments over the next seven years by \$132,846. This results in an economic gain (difference between the present values of the debt service payments on the old and new debt) of \$127,764.

5. Pension Plan

Plan Description . IPERS membership is mandatory for employees of the District, except for those covered by another retirement system. Employees of the District are provided with pensions through a cost-sharing multiple employer defined benefit pension plan administered by Iowa Public Employees Retirement System (IPERS). IPERS issues a stand-alone financial report which is available to the public by mail at 7401 Register Drive P.O. Box 9117, Des Moines, Iowa 50306-9117 or at www.ipers.org.

IPERS benefits are established under Iowa Code chapter 97B and the administrative rules thereunder. Chapter 97B and the administrative rules are the official plan documents. The following brief description is provided for general informational purposes only. Refer to the plan documents for more information.

Pension Benefits . A regular member may retire at normal retirement age and receive monthly benefits without an early-retirement reduction. Normal retirement age is age 65, anytime after reaching age 62 with 20 or more years of covered employment, or when the member's years of service plus the member's age at the last birthday equals or exceeds 88, whichever comes first. (These qualifications must be met on the member's first month of entitlement to benefits.) Members cannot begin receiving retirement benefits before age 55. The formula used to calculate a regular member's monthly IPERS benefits includes:

- A multiplier (based on years of service).
- The member's highest five-year average salary. (For members with service before June 30, 2012, the highest three-year average salary as of that date will be used if it is greater than the highest five-year average salary.)

If a member retires before normal retirement age, the member's monthly retirement benefit will be permanently reduced by an early-retirement reduction. The early-retirement reduction is calculated differently for service earned before and after July 1, 2012. For service earned before July 1, 2012, the reduction is 0.25 percent for each month that the member receives benefits before the member's earliest normal retirement age. For service earned starting July 1, 2012, the reduction is 0.50 percent for each month that the member receives benefits before age 65.

Generally once a member selects a benefit option, a monthly benefit is calculated and remains the same for the rest of the member's lifetime. However, to combat the effects of inflation, retirees who began receiving benefits prior to July 1990 receive a guaranteed dividend with their regular November benefit payments.

Disability and Death Benefits . A vested member who is awarded federal Social Security disability or Railroad Retirement disability benefits is eligible to claim IPERS benefits regardless of age. Disability benefits are not reduced for early retirement. If a member dies before retirement, the member's beneficiary will receive a lifetime annuity or a lump-sum payment equal to the present actuarial value of the member's accrued benefit or calculated with a set formula, whichever is greater. When a member dies after retirement, death benefits depend on the benefit option the member selected at retirement.

Contributions . Effective July 1, 2012, as a result of a 2010 law change, the contribution rates are established by IPERS following the annual actuarial valuation, which applies IPERS's Contribution Rate Funding Policy and Actuarial Amortization Method. Statute limits the amount rates can increase or decrease each year to 1 percentage point. IPERS Contribution Rate Funding Policy requires that the actuarial contribution rate be determined using the entry age normal-actuarial cost method and the actuarial assumptions and methods approved by the IPERS Investment Board. The actuarial contribution rate covers normal cost plus the unfunded actuarial liability payment based on a 30-year amortization period. The payment to amortize the unfunded actuarial liability is determined as a level percentage of payroll, based on the Actuarial Amortization Method adopted by the Investment Board.

In fiscal year 2015, pursuant to the required rate, regular members contributed 5.95 percent of pay and the District contributed 8.93 percent for a total rate of 14.88 percent.

The District's contributions to IPERS for the year ended June 30, 2015 were \$202,899.

Net Pension Liabilities, Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions . At June 30, 2015, the District reported a liability of \$1,363,099 for its proportionate share of the net pension liability. The net pension liability was measured as of

June 30, 2014, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportion of the net pension liability was based on the District's share of contributions to the pension plan relative to the contributions of all IPERS participating employers. At June 30, 2014, the District's collective proportion was 0.034370 percent, which was an increase of 0.002377 from its proportion measured as of June 30, 2013.

For the year ended June 30, 2015, the District recognized pension expense of \$115,248. At June 30, 2015, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources.

	Deferred outflows of Resources	Deferred Inflows of Resources
	\$	\$
Differences between expected and actual experience	14,814	-
Changes in assumptions	60,157	-
Net difference between projected and actual earnings on pension plan investments	-	519,847
Change in proportion and differences between District contributions and proportionate share of contributions	56,599	-
District contributions subsequent to the measurement date	202,899	-
Total	334,469	519,847

\$202,899 reported as deferred outflows of resources related to pensions resulting from the District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30,	
	\$
2016	(99,221)
2017	(99,221)
2018	(99,221)
2019	(99,221)
2020	8,607
Total	(388,277)

There were no non-employer contributing entities at IPERS.

Actuarial Assumptions . The total pension liability in the June 30, 2014 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Rate of inflation (effective June 30, 2014)	3.00 percent per annum
Rates of salary increase (effective June 30, 2010)	4.00 to 17.00 percent, average, including inflation. Rates vary by membership group.
Long-term investment rate of return (effective June 30, 1996)	7.50 percent, compounded annually, net of investment expense, including inflation.

The actuarial assumptions used in the June 30, 2014 valuation were based on the results of actuarial experience studies with dates corresponding to those listed above.

Mortality rates were based on the RP-2000 Mortality Table for Males or Females, as appropriate, with adjustments for mortality improvements based on Scale AA.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Asset Allocation	Long-Term Expected Real Rate of Return
	%	
US Equity	23	6.31
Non US Equity	15	6.76
Private Equity	13	11.34
Real Estate	8	3.52
Core Plus Fixed Income	28	2.06
Credit Opportunities	5	3.67
TIPS	5	1.92
Other Real Assets	2	6.27
Cash	1	(0.69)
Total	100%	

Discount Rate . The discount rate used to measure the total pension liability was 7.5 percent. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the contractually required rate and that contributions from the District will be made at contractually required rates, actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate . The following presents the District's proportionate share of the net pension liability calculated using the discount rate of 7.5 percent, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.5 percent) or 1-percentage-point higher (8.5 percent) than the current rate.

	1% Decrease (6.5%)	Discount Rate (7.5%)	1% Increase (8.5%)
	\$	\$	\$
District proportionate share of the net pension liability	2,575,536	1,363,099	339,675

Pension Plan Fiduciary Net Position . Detailed information about the pension plan's fiduciary net position is available in the separately issued IPERS financial report which is available on IPERS's website at www.ipers.org.

Payables to the Pension Plan . At June 30, 2015, the District reported no payables to the defined benefit pension plan.

6. Other Postemployment Benefits (OPEB)

Plan Description - The District operates a single-employer retiree benefit plan which provides medical and prescription drug benefits for retirees and their spouses. There are 36 active members covered by the District's health plan, 15 active members who have waived coverage, and 5 retired members in the plan. Participants must be age 55 or older at retirement.

The medical/prescription drug coverage is provided through a fully-insured plan with Mercer. Retirees under age 65 pay the same premium for the medical/prescription drug benefit as active employees, which results in an implicit subsidy and an OPEB liability.

Funding Policy - The contribution requirements of plan members are established and may be amended by the District. The District currently finances the retiree benefit plan on a pay-as-you-go basis.

Annual OPEB Cost and Net OPEB Obligation - The District's annual OPEB cost is calculated based on the annual required contribution (ARC) of the District, an amount actuarially determined in accordance with GASB Statement No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities over a period not to exceed 30 years.

The following table shows the components of the District's annual OPEB cost for the year ended June 30, 2015, the amount actually contributed to the plan and changes in the District's net OPEB obligation:

	\$
Annual required contribution	119,000
Interest on net OPEB obligation	12,000
Adjustment to annual required contribution	<u>(10,000)</u>
Annual OPEB cost	121,000
Contributions made	<u>43,000</u>
Increase in net OPEB obligation	78,000
Net OPEB obligation beginning of year	<u>437,000</u>
Net OPEB obligation end of year	<u>515,000</u>

For calculation of the net OPEB obligation, the actuary has set the transition day as July 1, 2012. The end of year net OPEB obligation was calculated by the actuary as the cumulative difference between the actuarially determined funding requirements and the actual contributions for the year ended June 30, 2015.

For the year ended June 30, 2015, the District contributed \$43,000 to the medical plan. Plan members eligible for benefits contributed \$24,540, or 100% of the premium costs.

The District's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan and the net OPEB obligation as of June 30, 2015 are summarized as follows:

<u>Year Ended June 30</u>	<u>Annual OPEB Cost</u>	<u>Percentage of Annual OPEB Cost Contributed</u>	<u>Net OPEB Obligation</u>
	\$	%	\$
2010	125,000	25.6%	93,000
2011	125,637	28.9%	183,637
2012	125,637	33.4%	267,274
2013	121,000	27.5%	355,000
2014	121,000	32.2%	437,000
2015	121,000	35.5%	515,000

Funded Status and Funding Progress - As of July 1, 2012, the most recent actuarial valuation date for the period July 1, 2014 through June 30, 2015, the actuarial accrued liability was \$1,110,000, with no actuarial value of assets, resulting in an unfunded actuarial accrued liability (UAAL) of \$1,110,000. The covered payroll (annual payroll of active employees covered by the plan) was approximately \$1,599,000 and the ratio of the UAAL to covered payroll was 69.4%. As of June 30, 2015, there were no trust fund assets.

Actuarial Methods and Assumptions - Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality and the health care cost trend. Actuarially determined amounts are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information in the section following the Notes to Financial Statements, will present multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Projections of benefits for financial reporting purposes are based on the plan as understood by the employer and the plan members and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

As of the July 1, 2012 actuarial valuation date, the alternative measurement method was used. The actuarial assumptions include a 4.5% discount rate based on the District's funding policy. The projected annual medical trend rate is 10%. The ultimate medical trend rate is 5%. The medical trend rate is reduced 0.5% each year until reaching the 5% ultimate trend rate.

Mortality rates are from the RP2000 Group Annuity Mortality Table, applied on a gender-specific basis. Annual retirement and termination probabilities were developed from the retirement probabilities from the IPERS Actuarial Report as of June 30, 2007 and applying the termination factors used in the IPERS Actuarial Report as of June 30, 2007.

The salary increase rate was assumed to be 3.5% per year. The UAAL is being amortized as a level percentage of projected payroll expense on an open basis over 30 years.

7. Risk Management

Glidden - Ralston Community School District is exposed to various risks of loss related to torts; theft; damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. These risks are covered by the purchase of commercial insurance. The District assumes liability for any deductibles and claims in excess of coverage limitations. Settled claims from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

8. Area Education Agency

The District is required by the Code of Iowa to budget for its share of special education support, media and educational services provided through the Area Education Agency. The District's actual amount for this purpose totaled \$121,457 for the year ended June 30, 2015 and is recorded in the General Fund by making a memorandum adjusting entry to the cash basis financial statements.

9. Categorical Funding

The District's restricted fund balance for categorical funding at June 30, 2015 is comprised of the following programs:

Program	Amount
	\$
Early literacy	27,507
Teacher leadership	5,892
Homeschool	1,911
Teacher salary supplement	14,585
Core curriculum	18,580
Educator quality, professional development	13,352
	<u>81,827</u>

10. Accounting Change/Restatement

Governmental Accounting Standards Board Statement No. 68, Accounting and Financial Reporting for Pensions, an Amendment of GASB No. 27 was implemented during fiscal year 2015. The revised requirements establish new financial reporting requirements for state and local governments which provide their employees with pension benefits, including additional note disclosures and required supplementary information. In addition, GASB 68 requires a state or local government employer to recognize a net pension liability and changes in the net pension liability, deferred outflows of resources and deferred inflows of resources which arise from other types of events related to pensions. During the transition year, as permitted, beginning balances for deferred outflows of resources and deferred inflows of resources will not be reported, except for deferred outflows of resources related to contributions made after the measurement date of the beginning net pension liability which is required to be reported by Governmental Accounting Standards Board Statement No. 71, Pension Transition for Contributions Made Subsequent to the Measurement Date. Beginning net position for governmental and business type activities were restated to retroactively report the beginning net pension liability and deferred outflows of resources related to contributions made after the measurement date, as follows:

	Governmental Activities	Business Type Activities
	\$	\$
Net position June 30, 2014, as previously reported	5,155,351	13,379
Net pension liability at June 30, 2014	(1,706,809)	(44,638)
Deferred outflows of resources		
Related to contributions made after the June 30, 2013 measurement date	195,960	4,880
Net position July 1, 2014, as restated	<u>3,644,502</u>	<u>(26,379)</u>

REQUIRED SUPPLEMENTARY INFORMATION

GLIDDEN-RALSTON COMMUNITY SCHOOL DISTRICT

Budgetary Comparison Schedule of Revenues, Expenditures/Expenses, and Changes in Balances -
Budget and Actual - All Governmental Funds and Proprietary Fund

Required Supplementary Information

Year ended June 30, 2015

	Governmental Fund Actual	Proprietary Fund Actual	Total Actual	Budgeted Amounts		Final to Actual Variance - Positive (Negative)
	\$	\$	\$	Original	Final	\$
Revenues:						
Local sources	2,372,072	112,196	2,484,268	2,578,532	2,578,532	(94,264)
State sources	1,857,149	1,578	1,858,727	1,715,905	1,715,905	142,822
Federal sources	82,677	78,699	161,376	285,000	285,000	(123,624)
Total revenues	<u>4,311,898</u>	<u>192,473</u>	<u>4,504,371</u>	<u>4,579,437</u>	<u>4,579,437</u>	<u>(75,066)</u>
Expenditures/Expenses:						
Instruction	2,642,213	-	2,642,213	3,635,099	3,635,099	992,886
Support services	1,323,465	-	1,323,465	2,279,500	2,279,500	956,035
Non-instructional programs	-	189,005	189,005	200,000	200,000	10,995
Other expenditures	688,668	-	688,668	703,382	703,382	14,714
Total expenditures/expenses	<u>4,654,346</u>	<u>189,005</u>	<u>4,843,351</u>	<u>6,817,981</u>	<u>6,817,981</u>	<u>1,974,630</u>
Excess (deficiency) of revenues over (under) expenditures/expenses	(342,448)	3,468	(338,980)	(2,238,544)	(2,238,544)	1,899,564
Balance beginning of year	<u>3,459,169</u>	<u>(26,379)</u>	<u>3,432,790</u>	<u>3,218,184</u>	<u>3,218,184</u>	<u>214,606</u>
Balance end of year	<u><u>3,116,721</u></u>	<u><u>(22,911)</u></u>	<u><u>3,093,810</u></u>	<u><u>979,640</u></u>	<u><u>979,640</u></u>	<u><u>2,114,170</u></u>

GLIDDEN-RALSTON COMMUNITY SCHOOL DISTRICT

Notes to Required Supplementary Information - Budgetary Reporting

Year ended June 30, 2015

This budgetary comparison is presented as Required Supplementary Information in accordance with Governmental Accounting Standard Board Statement No. 41 for governments with significant budgetary perspective differences resulting from not being able to present budgetary comparisons for the General Fund and each major Special Revenue Fund.

In accordance with the Code of Iowa, the Board of Education annually adopts a budget following required public notice and hearing for all funds except Internal Service, Private Purpose Trust and Agency Funds. The budget may be amended during the year utilizing similar statutorily prescribed procedures. The District's budget is prepared on a GAAP basis.

Formal and legal budgetary control for the certified budget is based upon four major classes of expenditures known as functions, not by fund. These four functions are instruction, support services, non-instructional programs and other expenditures. Although the budget document presents function expenditures or expenses by fund, the legal level of control is at the aggregated function level, not by fund. The Code of Iowa also provides District expenditures in the General Fund may not exceed the amount authorized by the school finance formula.

During the year ended June 30, 2015, expenditures did not exceed the amounts budgeted.

GLIDDEN-RALSTON COMMUNITY SCHOOL DISTRICT

Schedule of the District's Proportionate Share of the Net Pension Liability

Iowa Public Employees' Retirement System
Last Fiscal Year*

Required Supplementary Information

	<u>2015</u>
District's proportion of the net pension liability	0.034370%
District's proportionate share of the net pension liability	1,363,099
District's covered-employee payroll	2,272,102
District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	59.99%
Plan fiduciary net position as a percentage of the total pension liability	87.61%

* The amounts presented for each fiscal year were determined as of June 30.

Note: GASB Statement No. 68 requires ten years of information to be presented in this table. However, until a full 10-year trend is compiled, the District will present information for those years for which information is available.

GLIDDEN-RALSTON COMMUNITY SCHOOL DISTRICT

Schedule of District Contributions

Iowa Public Employees' Retirement System
Last 10 Fiscal Years

Required Supplementary Information

	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Statutorily required contribution	202,899	200,840	181,927	162,852	133,588	130,809	129,241	115,496	101,483	94,884
Contributions in relation to the statutorily required contribution	<u>202,899</u>	<u>200,840</u>	<u>181,927</u>	<u>162,852</u>	<u>133,588</u>	<u>130,809</u>	<u>129,241</u>	<u>115,496</u>	<u>101,483</u>	<u>94,884</u>
Contribution deficiency (excess)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
District's covered-employee payroll	2,272,102	2,249,054	2,098,351	2,017,995	1,922,127	1,967,059	2,035,291	1,909,025	1,764,922	1,650,157
Contributions as a percentage of covered- employee payroll	8.93%	8.93%	8.67%	8.07%	6.95%	6.65%	6.35%	6.05%	5.75%	5.75%

GLIDDEN-RALSTON COMMUNITY SCHOOL DISTRICT

Notes to Required Supplementary Information - Pension Liability

Year ended June 30, 2015

Changes of benefit terms :

Legislation passed in 2010 modified benefit terms for current Regular members. The definition of final average salary changed from the highest three to the highest five years of covered wages. The vesting requirement changed from four years of service to seven years. The early retirement reduction increased from 3 percent per year measured from the member's first unreduced retirement age to a 6 percent reduction for each year of retirement before age 65.

In 2008, legislative action transferred four groups - emergency medical service providers, county jailers, county attorney investigators, and National Guard installation security officers - from Regular membership to the protection occupation group for future service only.

Benefit provisions for sheriffs and deputies were changed in the 2004 legislative session. The eligibility for unreduced retirement benefits was lowered from age 55 by one year each July 1 (beginning in 2004) until it reached age 50 on July 1, 2008. The years of service requirement remained at 22 or more. Their contribution rates were also changed to be shared 50-50 by the employee and employer, instead of the previous 40-60 split.

Changes of assumptions :

The 2014 valuation implemented the following refinements as a result of a quadrennial experience study:

- Decrease the inflation assumption from 3.25 percent to 3.00 percent.
- Decrease the assumed rate of interest on member accounts from 4.00 percent to 3.75 percent per year.
- Adjusted male mortality rates for retirees in the Regular membership group.
- Reduced retirement rates for sheriffs and deputies between the ages of 55 and 64.
- Moved from an open 30 year amortization period to a closed 30 year amortization period for the UAL. UAL beginning June 30, 2014. Each year thereafter, changes in the UAL from plan experience will be amortized on a separate closed 20 year period.

The 2010 valuation implemented the following refinements as a result of a quadrennial experience study:

- Adjusted retiree mortality assumptions.
- Modified retirement rates to reflect fewer retirements.
- Lowered disability rates at most ages.
- Lowered employment termination rates.
- Generally increased the probability of terminating members receiving a deferred retirement benefit.
- Modified salary increase assumptions based on various service duration.

The 2007 valuation adjusted the application of the entry age normal cost method to better match projected contributions to the projected salary stream in the future years. It also included in the calculation of the UAL amortization payments the one-year lag between the valuation date and the effective date of the annual actuarial contribution rate.

GLIDDEN-RALSTON COMMUNITY SCHOOL DISTRICT

Notes to Required Supplementary Information - Pension Liability

Year ended June 30, 2015

The 2006 valuation implemented the following refinements as a result of a quadrennial experience study:

Adjusted salary increase assumptions to service based assumptions.

Decreased the assumed interest rate credited on employee contributions from 4.25 percent to 4.00 percent.

Lowered the inflation assumption from 3.50 percent to 3.25 percent.

Lowered disability rates for sheriffs and deputies and protection occupation members.

GLIDDEN-RALSTON COMMUNITY SCHOOL DISTRICT

Schedule of Funding Progress for the Retiree Health Plan

Required Supplementary Information

Year Ended June 30,	Actuarial Valuation Date	Actuarial Value of Assets (a) \$	Actuarial Accrued Liability (AAL) (b) \$	Unfunded AAL (UAAL) (b-a) \$	Funded Ratio (a/b) %	Covered Payroll (c) \$	UAAL as a Percentage of Covered Payroll ((b-a)/c) %
2010	July 1, 2009	-	1,127,000	1,127,000	0.0%	1,140,000	98.9%
2011	July 1, 2009	-	1,127,000	1,127,000	0.0%	1,310,000	86.0%
2012	July 1, 2009	-	1,127,000	1,127,000	0.0%	1,425,000	79.1%
2013	July 1, 2012	-	1,110,000	1,110,000	0.0%	1,533,000	72.4%
2014	July 1, 2012	-	1,110,000	1,110,000	0.0%	1,625,000	68.3%
2015	July 1, 2012	-	1,110,000	1,110,000	0.0%	1,599,000	69.4%

See Note 6 in the accompanying Notes to Financial Statements for the plan description, funding policy, annual OPEB Cost and Net OPEB Obligation, funded status and funding progress.

SUPPLEMENTARY INFORMATION

GLIDDEN-RALSTON COMMUNITY SCHOOL DISTRICT

Combining Balance Sheet
Nonmajor Governmental Funds

June 30, 2015

Assets	Special Revenue Funds		Total
	Management	Student	
	Levy	Activity	
	\$	\$	\$
Cash, cash equivalents and pooled investments	89,435	45,085	134,520
Receivables:			
Property tax:			
Delinquent	1,101	-	1,101
Succeeding year	128,000	-	128,000
Total assets	218,536	45,085	263,621
Liabilities, Deferred Inflows of Resources & Fund Balances			
Liabilities:			
Accounts payable	-	849	849
Deferred inflows of resources:			
Unavailable revenues:			
Succeeding year property tax	128,000	-	128,000
Fund balances:			
Restricted for:			
Management levy	90,536	-	90,536
Student activities	-	44,236	44,236
Total fund balances	90,536	44,236	134,772
Total liabilities, deferred inflows of resources and fund balances	218,536	45,085	263,621

GLIDDEN-RALSTON COMMUNITY SCHOOL DISTRICT

Combining Schedule of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds

Year ended June 30, 2015

	Special Revenue Funds		
	Management	Student	
	Levy	Activity	Total
	\$	\$	\$
Revenues:			
Local sources:			
Local tax	131,986	-	131,986
Other	5,524	146,105	151,629
State sources	68,493	-	68,493
Total revenues	<u>206,003</u>	<u>146,105</u>	<u>352,108</u>
Expenditures:			
Current:			
Instruction:			
Regular	19,377	-	19,377
Other	-	158,963	158,963
Support services:			
Administration	42,924	-	42,924
Operation and maintenance of plant	90,245	-	90,245
Total expenditures	<u>152,546</u>	<u>158,963</u>	<u>311,509</u>
Change in fund balance	53,457	(12,858)	40,599
Fund balances beginning of year	<u>37,079</u>	<u>57,094</u>	<u>94,173</u>
Fund balances end of year	<u><u>90,536</u></u>	<u><u>44,236</u></u>	<u><u>134,772</u></u>

GLIDDEN-RALSTON COMMUNITY SCHOOL DISTRICT

Combining Balance Sheet
Nonmajor Capital Project Accounts

June 30, 2015

Assets	Capital Projects		
	Statewide	Physical	Total
	Sales, Services and Use Tax	Plant and Equipment Levy	
	\$	\$	\$
Cash and pooled investments	610,874	-	610,874
Receivables:			
Property tax:			
Delinquent	-	255	255
Succeeding year	-	48,954	48,954
Accounts	-	276	276
Due from other governments	43,142	-	43,142
Total assets	654,016	49,485	703,501
Liabilities, Deferred Inflows of Resources & Fund Balances			
Liabilities:			
Bank overdrafts	-	33,940	33,940
Accounts payable	4,216	1	4,217
Total liabilities	4,216	33,941	38,157
Deferred inflows of resources:			
Unavailable revenues:			
Succeeding year property tax	-	48,954	48,954
Fund balances:			
Restricted for:			
School infrastructure	649,800	-	649,800
Unassigned	-	(33,410)	(33,410)
Total fund balances	649,800	(33,410)	616,390
Total liabilities, deferred inflows of resources and fund balances	654,016	49,485	703,501

GLIDDEN-RALSTON COMMUNITY SCHOOL DISTRICT

Combining Schedule of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Capital Project Accounts

Year ended June 30, 2015

	Capital Projects		
	Statewide Sales, Services and Use Tax	Physical Plant and Equipment Levy	Total
	\$	\$	\$
Revenues:			
Local sources:			
Local tax	-	47,206	47,206
Other	-	2,960	2,960
State sources	279,378	575	279,953
Total revenues	<u>279,378</u>	<u>50,741</u>	<u>330,119</u>
Expenditures:			
Current:			
Support services:			
Operation and maintenance of plant	6,921	29,322	36,243
Other expenditures:			
Facilities acquisition	242,505	100,444	342,949
Total expenditures	<u>249,426</u>	<u>129,766</u>	<u>379,192</u>
Excess (deficiency) of revenues over (under) expenditures	29,952	(79,025)	(49,073)
Other financing sources (uses):			
Transfers out	<u>(18,519)</u>	<u>-</u>	<u>(18,519)</u>
Change in fund balance	11,433	(79,025)	(67,592)
Fund balances beginning of year	<u>638,367</u>	<u>45,615</u>	<u>683,982</u>
Fund balance end of year	<u><u>649,800</u></u>	<u><u>(33,410)</u></u>	<u><u>616,390</u></u>

GLIDDEN-RALSTON COMMUNITY SCHOOL DISTRICT

Schedule of Changes in Special Revenue Fund, Student Activity Accounts

Year ended June 30, 2015

Account	Balance Beginning of Year	Revenues	Expenditures	Intra-Fund Transfers	Balance End of Year
	\$	\$	\$	\$	\$
Drama	-	433	128	-	305
Speech	-	258	159	(99)	-
Vocal	-	508	294	3	217
Instrumental	1,383	7,091	7,484	-	990
Boys high school basketball	-	3,794	3,794	-	-
Junior high basketball	-	950	950	-	-
High school football	-	18,732	24,589	(770)	(6,627)
Junior high football	-	225	225	-	-
Baseball	-	4,573	6,300	-	(1,727)
Boys high school track	-	2,082	2,082	-	-
Girls high school basketball	-	8,585	8,585	-	-
Cheerleading	1,230	2,875	2,974	-	1,131
Dance team	1,816	3,091	2,857	-	2,050
Volleyball	-	4,039	4,039	-	-
Junior high volleyball	-	420	420	-	-
Softball	-	5,686	6,447	(149)	(910)
Girls high school track	-	2,304	2,304	-	-
Junior high track	-	1,190	1,190	-	-
G-R concession	-	19,131	23,827	-	(4,696)
Student services	-	462	462	-	-
Fund raiser	165	960	974	-	151
Resale	-	3,407	3,715	-	(308)
Activities resale	(7,694)	70	150	-	(7,774)
Class of 2009	-	25	-	-	25
Class of 2015	1,910	135	1,506	-	539
Class of 2016	3,235	2,882	3,038	-	3,079
Class of 2017	98	4,270	2,333	-	2,035
Class of 2018	1,409	2,399	1,103	-	2,705
Class of 2019	43	25	-	-	68
FFA	7,307	33,390	29,830	(236)	10,631
FHA	1,714	-	-	-	1,714
Golf	-	1,006	1,005	-	1
Interest	(112)	343	2,502	13	(2,258)
Science club	75	-	-	157	232
Spanish club	2,295	440	819	45	1,961
Art club	51	-	-	-	51
Student council	1,380	4,869	4,840	43	1,452
Yearbook	13,921	5,455	7,243	198	12,331
Glidden school newspaper	141	-	-	-	141
Undesignated	26,727	-	-	-	26,727
Totals	57,094	146,105	158,168	(795)	44,236

GLIDDEN-RALSTON COMMUNITY SCHOOL DISTRICT

Schedule of Revenues by Source and Expenditures by Function
All Governmental Funds

For the Last Ten Years

	Modified Accrual Basis									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Revenues:										
Local sources:										
Local tax	1,609,916	1,537,991	1,766,198	1,770,443	1,650,245	1,543,282	1,662,973	1,427,211	1,455,241	1,293,991
Tuition	376,597	243,023	386,069	287,090	291,067	267,262	289,657	250,925	210,555	190,555
Other	385,559	419,087	220,073	337,752	275,439	332,069	311,201	309,670	236,498	300,778
State sources	1,857,149	1,816,196	1,562,783	1,661,774	1,607,956	1,479,943	1,826,112	1,876,970	1,694,426	1,576,713
Federal sources	82,677	136,828	88,178	144,355	199,075	355,247	141,917	141,766	125,152	309,604
Total revenues	<u>4,311,898</u>	<u>4,153,125</u>	<u>4,023,301</u>	<u>4,201,414</u>	<u>4,023,782</u>	<u>3,977,803</u>	<u>4,231,860</u>	<u>4,006,542</u>	<u>3,721,872</u>	<u>3,671,641</u>
Expenditures:										
Instruction:										
Regular	1,713,641	1,783,502	1,962,380	1,535,821	1,431,274	1,468,617	1,416,188	1,471,511	1,363,502	1,080,908
Special	342,149	269,481	295,057	234,639	268,291	261,329	265,548	202,786	258,081	225,238
Other	586,423	598,504	499,664	466,659	393,474	416,495	449,658	439,349	434,083	433,517
Support services:										
Student	149,452	157,228	177,740	168,723	175,254	139,914	154,582	128,839	127,748	163,758
Instructional staff	173,005	176,068	86,300	85,974	150,157	214,362	195,013	143,006	162,873	222,871
Administration	507,687	458,844	366,117	337,217	312,127	315,866	304,656	299,061	265,158	268,196
Operation and maintenance	391,136	406,143	735,052	330,526	296,430	274,744	268,289	285,027	301,348	271,928
Transportation	102,185	102,335	110,652	84,845	110,159	100,459	128,023	98,903	164,648	110,003
Other expenditures:										
Facilities acquisition	342,949	621,280	124,431	131,639	102,424	149,503	70,342	80,939	197,596	97,977
Long-term debt:										
Principal	195,000	190,000	1,415,000	160,000	150,000	120,000	140,000	135,000	130,000	195,000
Interest and other charges	29,262	18,336	79,296	61,480	66,680	71,175	75,614	79,291	82,465	145,680
AEA flowthrough	121,457	121,372	118,955	119,778	135,075	134,385	126,171	124,474	114,464	106,775
Total expenditures	<u>4,654,346</u>	<u>4,903,093</u>	<u>5,970,644</u>	<u>3,717,301</u>	<u>3,591,345</u>	<u>3,666,849</u>	<u>3,594,084</u>	<u>3,488,186</u>	<u>3,601,966</u>	<u>3,321,851</u>

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Independent Auditor's Report on Internal Control
Over Financial Reporting and on compliance and Other Matters
Based on an Audit of Financial Statements Performed in Accordance with
Government Auditing Standards

To the Board of Education of
Glidden-Ralston Community School District:

We have audited in accordance with U.S. generally accepted auditing standards and the standards applicable to financial audits contained in Governmental Auditing Standards, issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business type activities, each major fund and the aggregate remaining fund information of Glidden-Ralston Community School District and of and for the year ended June 30, 2015, and the related notes to financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated March 29, 2016.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Glidden-Ralston Community School District's internal control over financial reporting to determine the audit procedures appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Glidden-Ralston Community School District's internal control. Accordingly, we do not express an opinion on the effectiveness of Glidden-Ralston Community School District's Internal Control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying Schedule of Findings and Responses, we identified deficiencies in internal control we consider to be material weaknesses and significant deficiencies.

A deficiency in internal control exists when the design or operation of the control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility a material misstatement of the District's financial statements will not be prevented or detected and corrected on a timely basis. We consider the deficiencies described in Part I of the accompanying Schedule of Findings and Responses as items 15-I-A, 15-I-B and 15-I-C to be material weaknesses.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Glidden-Ralston Community School District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, non-compliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an

opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of non-compliance or other matters that are required to be reported under Government Auditing Standards. However, we noted certain immaterial instances of non-compliance or other matters which are described in Part II of the accompanying Schedule of Finding and Responses.

Comments involving statutory and other legal matters about the District's operations for the year ended June 30, 2015 are based exclusively on knowledge obtained from procedures performed during our audit of the financial statements of the District. Since our audit was based on tests and samples, not all transactions that might have had an impact on the comments were necessarily audited. The comments involving statutory and other legal matters are not intended to constitute legal interpretations of those statutes.

Glidden-Ralston Community School District's Responses to the Findings

Glidden-Ralston Community School District's responses to findings identified in our audit are described in the accompanying Schedule of Findings and Responses. Glidden-Ralston Community School District's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the result of that testing, and not to provide an opinion on the effectiveness of the District's internal control or on compliance. This report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

We would like to acknowledge the many courtesies and assistance extended to us by personnel of Glidden-Ralston Community School District during the course of our audit. Should you have any questions concerning any of the above matters, we shall be pleased to discuss them with you at your convenience.

BURTON E. TRACY & CO., P.C.
Certified Public Accountants

March 29, 2016

GLIDDEN-RALSTON COMMUNITY SCHOOL DISTRICT

Schedule of Findings and Responses

Year ended June 30, 2015

Part I: Findings Related to the Financial Statements:

Internal Control Deficiencies:

15-I-A Segregation of Duties: The limited number of personnel makes it difficult to achieve adequate internal accounting control through the segregation of duties and responsibilities, such as recording and processing cash receipts, preparing checks and bank reconciliations, payroll processing, preparing and posting general journal entries, preparation of journals and general financial information for ledger posting, and the analysis of financial information. A small staff makes it difficult to establish an ideal system of automatic internal checks on accounting record accuracy and reliability, although we noted the District had taken steps to segregate duties between the present personnel. This is not an unusual condition but it is important the District officials are aware that the condition exists.

Recommendation: We realize segregation of duties is difficult with a limited number of office employees. However, the District should review its procedures to obtain the maximum internal control possible under the circumstances utilizing currently available staff, including elected officials.

District Response: We will continue to review our procedures and implement additional controls where possible.

Conclusion: Response accepted.

15-I-B Financial Statement Preparation: Financial statement preparation is the responsibility of the District. At the present time District personnel do not have the skills necessary to be able to write the District's financial statements and the related note disclosures. This is not an unusual situation for small governmental entities.

Recommendation: District personnel should attend any governmental accounting and reporting training sessions that may be offered by the Iowa Department of Education, State Auditor's Office or Iowa Association of School Business Officials. The school business office should also have governmental accounting and reporting reference materials.

District Response: As a school we certainly understand the need for continuing education classes for all of our staff. However, we have a limited budget and must continually prioritize needs. At this point in time it is not cost effective to train our staff to the level necessary that would enable them to write the financial statements, nor is it feasible to hire additional employees that already possess the skills.

Conclusion: Response accepted.

GLIDDEN-RALSTON COMMUNITY SCHOOL DISTRICT

Schedule of Findings and Responses

Year ended June 30, 2015

Part I: Findings Related to the Financial Statements (continued):

15-I-C Signature Stamp: We noted that a stamp bearing the signatures of the Board President and Board Secretary is used to sign checks. The Board Secretary prints the checks and uses the stamp to sign the checks.

Recommendation: This practice negates the control established by requiring two signatures on the checks. The board secretary should not have access to or use a stamp with the Board President's signature.

District Response: We will discuss methods to limit access to the stamp.

Conclusion: Response accepted.

Instances of Noncompliance:

No matters were reported.

GLIDDEN-RALSTON COMMUNITY SCHOOL DISTRICT

Schedule of Findings and Responses

Year ended June 30, 2015

Part II: Other Findings Related to Required Statutory Reporting:

- 15-II-A Certified Budget: Expenditures for the year ended June 30, 2015 did not exceed the certified budget amount.
- 15-II-B Questionable Expenditures: No expenditures we believe may not meet the requirements of public purpose as defined in an Attorney General's opinion dated April 25, 1979 were noted.
- 15-II-C Travel Expenses: No expenditures of District money for travel expenses of spouses of District officials or employees were noted. No travel advances to District officials or employees were noted.
- 15-II-D Business Transactions: Business transactions between the District and District officials or employees are detailed as follows:

<u>Name, Title and Business Connection</u>	<u>Transaction Description</u>	<u>Amount</u>
Robert Gregory, board member, contractor	repairs	\$ 18,525

The transaction does not appear to represent a conflict of interest since the dollar amount was bid.

- 15-II-E Bond Coverage: Surety bond coverage of District officials and employees is in accordance with statutory provisions. The amount of coverage should be reviewed annually to insure that the coverage is adequate for current operations.
- 15-II-F Board Minutes: We noted no transactions requiring Board approval that had not been approved by the Board.
- 15-II-G Certified Enrollment: No variances in the basic enrollment data certified to the Department of Education were noted.
- 15-II-H Supplementary Weighting: No variances regarding supplementary weighting certified to the Department of Education were noted.
- 15-II-I Deposits and Investments: We noted no instances of noncompliance with the deposit and investment provisions of Chapter 12B and Chapter 12C of the Code of Iowa and the District's investment policy.
- 15-II-J Certified Annual Report (CAR): The Certified Annual Report was certified to the Iowa Department of Education by the due date.
- 15-II-K Categorical Funding: No instances were noted of categorical funding being used to supplant rather than supplement other funds.
- 15-II-L Statewide Sales, Services and Use Tax: No instances of non-compliance with the allowable uses of the statewide sales, services and use tax revenue provided in Chapter 423F.3 of the Code of Iowa were noted.

GLIDDEN-RALSTON COMMUNITY SCHOOL DISTRICT

Schedule of Findings and Responses

Year ended June 30, 2015

Part II: Other Findings Related to Required Statutory Reporting (continued):

Pursuant to Chapter 423F.5 of the Code of Iowa, the annual audit is required to include certain reporting elements related to the statewide sales, services and use tax revenue. Districts are required to include these reporting elements in the Certified Annual Report (CAR) submitted to the Iowa Department of Education. For the year ended June 30, 2015, the following information includes the amounts reported for the statewide sales, services and use tax revenue in the District's CAR including adjustments identified during the fiscal year 2015 audit:

	\$	\$
Beginning balance		638,367
Revenues/transfers in:		
Statewide sales, services and use tax revenue		279,378
Expenditures/transfers out:		
School infrastructure construction	242,505	
Transfers out	18,519	
Operation and maintenance	6,921	267,945
Ending balance		649,800

15-II-M Fund Deficits: We noted several accounts in the Student Activity Fund with deficit balances and the Debt Service, PPEL and School Nutrition Funds had unassigned deficit balances at June 30, 2015.

Recommendation: The District should seek ways to eliminate the deficits.

District Response: We are trying to reduce those accounts with deficit balances.

Conclusion: Response accepted.